

State of South Dakota

EIGHTIETH SESSION LEGISLATIVE ASSEMBLY, 2005

373L0714

HOUSE BILL NO. 1228

Introduced by: Representatives Peters, Dykstra, Hargens, Haverly, Kroger, and Michels and
Senators Sutton (Duane), Bogue, Koetzle, and Sutton (Dan)

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding unemployment
2 insurance.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 61-5-23 be amended to read as follows:

5 61-5-23. If on the ~~computation date, December 31, 1961, and each year thereafter~~ last day
6 of any calendar quarter, the amount in the unemployment compensation fund, as established by
7 § 61-4-1, including amounts receivable as federal reimbursements due the state for shareable
8 benefit payments, is less than any amount appearing in Column "A" below, then all employers'
9 rates shall be increased by the amount appearing in Column "B" opposite the lowest amount in
10 Column "A" under which the fund has been reduced:

11	Column "A"	Column "B"
12	Balance in Fund	Rates
13	\$11,000,000	.1 %
14	10,500,000	.2 %
15	10,000,000	.3 %
16	9,500,000	.4 %



1	9,000,000	.5 %
2	8,500,000	.6 %
3	8,000,000	.7 %
4	7,500,000	.8 %
5	7,000,000	.9 %
6	6,500,000	1.0 %
7	6,000,000	1.25%
8	5,500,000	1.5 %

9 The increased contribution rates apply to taxable wages paid on and after the first day of the
10 immediately following calendar quarter. The rates shall remain in effect until the balance in the
11 unemployment fund on the last day of any quarter is equal to or greater than one hundred fifty
12 percent of the highest amount appearing in Column A. However under no circumstances ~~shall~~
13 may any employer be required to pay contributions at a rate including the adjustment percentage,
14 of more than ten and one-half percent. ~~This section does not apply to employers' rates in~~
15 ~~calendar year 1983.~~

16 Section 2. That § 61-5-29.2 be amended to read as follows:

17 61-5-29.2. Benefits paid but not charged to the experience-rating account of any employer
18 based on subdivisions 61-5-29(1) to (7), inclusive, shall be prorated among all the employer
19 experience-rating accounts as follows:

20 For calendar year 1983 ~~and thereafter~~ through calendar year 2005, fifty percent of such
21 noncharges for the preceding calendar year are divided by the total taxable payroll for the
22 preceding year. For calendar year 2006 and thereafter, one hundred percent of such noncharges
23 for the preceding calendar year are divided by the total taxable payroll for the preceding calendar
24 year. The ratio obtained is multiplied by each experience-rated employer's taxable payroll for
25 the preceding year and the result of this computation is deducted from each employer's account

1 balance. The deductions from each employer's account balance shall be credited to the pool
2 account.

3 Section 3. That § 61-5-30 be repealed.

4 ~~61-5-30. September thirtieth in each year shall be the yearly computation date as herein~~
5 ~~referred to, and beginning on the 1993 computation date and on each yearly computation date~~
6 ~~thereafter, an amount equal to the interest credited to this state's account in the unemployment~~
7 ~~trust fund in the treasury of the United States for the four most recently completed calendar~~
8 ~~quarters shall be credited to the experience-rating account of employers' accounts having an~~
9 ~~excess of contributions over total charges of benefits on the computation date. Such amount~~
10 ~~shall be prorated to each employer's experience-rating account in the same proportion that the~~
11 ~~excess of contributions over total charges of benefits on the computation date bear to the total~~
12 ~~of such excess in the experience-rating account of all employers. Notwithstanding any other~~
13 ~~provisions of §§ 61-5-15 to 61-5-34, inclusive, the amount of interest thus prorated to each~~
14 ~~employer's experience-rating account shall be credited to such account for tax-rating purposes~~
15 ~~only and shall for such purposes be considered the same as contributions paid by the employer~~
16 ~~and credited to his account for the period preceding the computation date.~~